

[20 March, 2001]

RAJYA SABHA

- (b) the production of cement in the country during the same period;
- (c) whether there has been a sudden increase in price of cement during the last few months;
- (d) if so, the reasons therefor;
- (e) whether MRTP Commission has ordered any investigation into this unprecedented cement price-rise; and
- (f) if so, the steps taken by Government to bring down the sudden rise in cement price?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) and (b) The cement production and consumption in the country during the last three years (large plants) is as under:—

Year	Cement Production	Cement Consumption (In Million Tonnes)
1997-98	76.74	73.89
1998-99	81.67	79.77
1999-2000-	94.21	92.05

(c) During the last few months cement prices have gone up in most parts of the country.

(d) The reasons for price-rise can be attributed to operation of market forces of demand and supply.

(e) Yes, Sir.

(f) Government is seized of the situation and the prices are being closely monitored. Meetings have been held with cement manufacturers in this regard and it has been reported that the price-rise has been arrested and a marginal decline has occurred in some places. Government have also announced reduction of import duty on cement from 35 percent to 25 percent and this is likely to have stabilising effect on prices.

**Impact of WTO on prices of commodities**

2576. SHRI SOLIPETARAMACHANDRA REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India will have to face a grim situation in international trade when WTO (World Trade Organisation) agreements are implemented;
- (b) whether prices of many commodities have started falling because our products are not cost effective in international market; and
- (c) what steps Government are contemplating to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) The WTO agreements have been in force since 1.1.1995 and India has already implemented all its commitments under the World Trade Organisation (WTO) agreements except some commitments in area of intellectual property rights, for which the relevant bills have already been introduced in the Parliament. In the area of agriculture, India has no specific commitments as the domestic support extended by India is well below *de minimis*. Implementation of their commitments under WTO, agreements by the other members of WTO will, *inter-alia* provide an increase market access to India for its exports. Being a member of WTO, India is automatically entitled to get Most Favoured Nation Treatment (MFNT) and National Treatment for its exports by other member countries.

(b) and (c) The prices of commodities depend on various macro-economic factors including demand and supply factors. The demand for a commodity in turn is dependent on the consumer preferences and their purchasing power from time to time. It will thus, not be correct to attribute in general the decline in commodity prices to any one factor such as lack of cost effectiveness of Indian products in the international markets. Government have put in place a suitable mechanism for monitoring the import of sensitive items and are committed to provide adequate protection to the domestic producers by resorting to various WTO compatible measures which include appropriate calibration of applied tariffs within the bound tariffs, anti-dumping and safeguard actions as well as imposition of countervailing duties under specified circumstances as provided in various WTO agreements.

#### **FDI in power trading**

2577. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government have any proposal to allow 100 per cent foreign direct investment in power trading through the automatic route;
- (b) if so, whether this is a part of Government's over-all strategy to